

VILLAGE OF WRIGHTSTOWN
Financial Management Plan Committee Meeting
Wednesday, February 19, 2020

A meeting of the Village of Wrightstown Financial Management Plan Committee was held at Village Hall, 352 High St, on Wednesday, February 19, 2020 in the Community Room at Village Hall, 352 High St., Wrightstown, WI, and was called to order at 5:00 p.m. by Village President Dean Erickson.

Present –Village President Dean Erickson, Trustee Sue Byers, Trustee, Trustee Dan Segerstrom, Trustee Keith Wendlandt, Village Administrator Travis Coenen, Village Clerk/Treasurer Michelle Seidl, Police Chief Greg Deike, Superintendent of Public Works Andy Vickman, and Jon Cameron, Senior Municipal Advisor for Ehlers & Associates, Inc.

Village of Wrightstown Financial Management Plan – Workshop #2

Second workshop focused on operating and capital 5 year projections, taking into consideration debt capacity, levy limit compliance and expenditure restraint:

- Review of governmental funds model with forecast assumptions. After review of market trends, Village's income and spending trends and five year capital plan, Ehlers was able to project budget and impact to the tax rate, through 2025
- Review of capital budget financing. Goal is to schedule projects and take on new debt as existing debt drops off. This will keep interest/principal payment amounts consistent and reduce fluctuations in the tax rate/utility user fees. For 2021 – 2025, an estimated \$4,615,825 will need to be borrowed for the following:
 - Poplar St. project
 - Sharla St. project
 - Short St. project
 - Debra St. projects
 - Washington St. / ZZ project
 - Rosin Rd. project
 - Parks project
 - Well #4 Rehab project
 - Well #2 Abandonment project
 - Tigers Den Storm Pond Repair project
 - 1999 Isuzu replacement
 - 2008 Dodge Plow Truck replacement
 - 2003 Trackless replacement
 - 2003 JD 5320 replacement
 - DPW Garage project
 - Village Hall Power Backup project

All of these projects/purchases affect the General Fund debt capacity with the exception of \$22,000 for the Well #4 rehab

If interest rates stay low, as they are currently, it may be beneficial to capture three years of borrowing in one or two issuances to save on issuance expenses. Unused funds will need to be invested until projects are completed, to minimize interest exposure

Even with the \$4,615,825 of additional debt, the Village's debt limit should be down to 63% (*from the current 74%*) by 2024

There are no plans for future utility revenue bond debt

- Review of Levy Limit forecast model. Annually, municipalities are allowed to increase General Obligation levy:

- By net new construction amount
- To cover principal and interest debt service payments

It is important not to include debt service payments that are abated by sources such as utility and TID's, to cover general obligation operating expenses, because as debt drops off, an operational deficit may remain

- Review of Expenditure Restraint qualification. Not factored into Financial Management Plan model because Village has not qualified for it in last few years. However, there is potential to qualify moving forward dependent on the future Consumer Price Factor. Because this funding is not guaranteed annually, when earned, funds should be applied toward capital expenditures rather than operational expenses

Workshop #3 is scheduled for Tuesday, March 17th at 5:00 p.m. Agenda items are:

- Feedback/updates to General Fund Analysis and General Fund CIP
- TID Cash Flows
- Utilities Financing Plan Overview and Cash Flow Analysis

Meeting adjourned at 6:02 p.m.

Michelle Seidl
Clerk/Treasurer